

**Statement of the American Automobile Manufacturers Association  
Before the  
Telecommunications, Trade and Consumer Protection Subcommittee  
of the House Commerce Committee  
Presented by  
Andrew H. Card, Jr.  
President and Chief Executive Officer  
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Good morning, I am Andrew Card, President and CEO of the American Automobile Manufacturers Association (AAMA). AAMA's members are Chrysler Corporation, Ford Motor Company and General Motors Corporation. I am pleased to be here this morning to provide our views to the Subcommittee on the reauthorization of the National Highway Traffic Safety Administration (NHTSA).

Since NHTSA was formed in 1966, it has issued more than 50 federal motor vehicle safety, consumer damageability, theft prevention, and consumer information standards, which contain nearly 1,000 separate requirements. These standards regulate the motor vehicle literally from bumper to bumper. There are, indeed, standards for front and rear bumpers, for headlamps and taillamps, for tires and roofs, for frontal, rear, and side crash integrity, for exterior components such as mirrors and glass, and for interior components such as padding, seat strength, and steering column performance. There are standards that require identification markings and those that require the crashing of the vehicle. There are standards that dictate language in owners manuals and others that specify information to be placed on sun visors. There are standards to help keep a vehicle out of a crash, to protect occupants in a crash, to prevent fires, to reduce vehicle theft, and

to provide information to consumers on the safety and insurance costs of the vehicle they drive. In sum, there is not much of the vehicle left to regulate.

America's Car Companies have their disagreements with NHTSA on specific issues. Nonetheless, we believe there is an appropriate role for regulation. The key to good regulation is sound science and sound goals, based on performance and related to real world safety. There is certainly an increased awareness that we can do more for safety and other social goals by working together than by being antagonists. Increased public meetings, requests for comments as compared to proposed rules, negotiated rulemaking and the use of advisory committees all have facilitated a better awareness by the government and our industry of safety issues and have resulted in increased highway safety.

I would now like to briefly summarize AAMA's views on a few of the primary areas in which NHTSA operates: highway safety programs, regulatory activities and enforcement.

### ***HIGHWAY SAFETY – THE NEED FOR INCREASED PERSONAL RESPONSIBILITY***

Manufacturers take seriously the responsibility to design and produce safe vehicles. As we increase our understanding through scientific analysis of driver and vehicle performance using current technologies in real-world conditions, manufacturers continually plan and engineer improving levels of occupant protection and crash avoidance technologies in motor vehicles. Nonetheless, change in the personal behavior

of drivers and occupants will produce the largest net gains in traffic safety.

Human actions are causal or contributing factors in more than 90% of all motor vehicle crashes. Therefore, as vehicles become increasingly sophisticated in protecting occupants, the greatest potential for future improvements in traffic safety will result from changes in our society's philosophical approach to personal responsibility. For example, the following would significantly contribute to improved safety on our nation's roadways:

- constant and proper use of restraint systems for all occupants of all ages;
- zero tolerance for impaired driving;
- compliance with traffic safety laws; and
- driving with continual awareness and consideration for other roadway users.

There is no known vehicle regulatory project remaining that will have the positive safety impact approaching that available through improved driver behavior, higher safety belt use, reduced impaired driving, and reduced driving aggressiveness.

Many of NHTSA's responsibilities involve funding programs that help address driver behavior. One example of the agency's actions is its effort to inform people on the importance of properly using available occupant protection systems. The AAMA commends NHTSA for its role in increasing the nation's focus on personal responsibility through its development of the Presidential Initiative for Increasing Safety Belt Use.

All levels of government need to be committed to increasing safety belt and proper child safety seat use rates. The Administration's Initiative is an excellent step in moving toward the goal that all Americans properly use safety belts and child safety seats. The plan sets a national goal of 85% safety belt usage by the year 2000 and 90% by 2005. The government estimates that meeting the 85% goal would prevent an estimated 4,194 fatalities and 102,518 injuries per year; and that meeting the 90% goal would save 5,536 lives and prevent 132,670 injuries per year. These potential savings from increased safety belt use emphasize the fact that, with motor vehicle regulation having reached a high level of maturity, future gains in highway safety will come more from behavioral changes than from any future vehicle regulation. Specifically, the motor vehicle standard with the highest potential safety benefit issued by NHTSA in the last five years is the side impact standard which NHTSA estimates could save 512 lives and 2,636 serious injuries each year – an important contribution to safety, but dwarfed by the potential safety benefits from higher safety belt use. Through effective laws, enforcement, and public education about those laws, the President's plan can help the U.S. reach the world-class levels of belt use that Canada, Australia, and some European countries have achieved. AAMA and its members look forward to working with the Congress, which can help in this effort, by supporting the safety belt use provisions in the proposed National Economic Crossroads Transportation Efficiency Act (NEXTEA).

The Air Bag Safety Campaign can serve as an effective model for improving motor vehicle safety in support of President Clinton's targets. Since the start of the

Campaign's initiatives, Maryland and the District of Columbia have enacted legislation to strengthen adult restraint system laws; Virginia and Missouri have upgraded their child passenger safety laws; and other states are considering upgrades to their restraint laws.

Effective laws require standard, or "primary," enforcement with associated license demerit points and high fines for violations. NHTSA's continued support through the Campaign and through other agency activities for enactment of stronger laws and broader enforcement of these laws will provide greater incentives to drivers and other occupants to buckle themselves and restrain their children properly. To help advance achievement of the President's goals, the Air Bag Safety Campaign, this week during Buckle-Up America Week, is sponsoring a 50 state high visibility enforcement initiative – Operation ABC: Mobilizing America to Buckle up Children.

### ***RULEMAKING ISSUES***

Compliance with the Safety Act may require additional regulatory action in the future. AAMA believes that a regulation should only be promulgated when it is based on good science and will result in a net safety benefit for society.

#### ***Depowering Sunset***

AAMA member companies believe strongly that air bags and safety belts save lives. And the rule issued in March by NHTSA permitting depowering of air bags will bring even greater safety benefits. Our members are quickly responding by installing these new systems into most or all of the 1998 model year vehicles. These depowered air

bags will inflate with less force and therefore further reduce the risk of inflation-related injury to all vehicle occupants, including short-statured adults and children. We see this as a very important step for safety.

But there is one problem with the depowering rule. Under the rule, the ability of our members to provide lower powered air bags will expire, or "sunset," on September 1, 2001. This means that – absent major breakthroughs – in four years the rule will automatically revert to the unbelted barrier crash test requirement developed in the early 1980s that resulted in the higher powered inflators used in today's air bags. Not only would we be rolling back from the safety enhancement associated with depowered bags, but we also would be potentially limiting technologies that could be used in developing next generation restraint technologies. We see depowering of air bags not as an interim measure, but rather as a first step in the direction of advanced technology systems. And their use effectively would be precluded if this sunset provision is not eliminated.

The sunset's intent is to encourage rapid advances in air bag development, a goal we support. But there is no way accurately to predict when such systems will be safe, effective, and reliable enough to introduce. We believe that the partnership effort between manufacturers, NHTSA, and the Jet Propulsion Laboratory is the means of ensuring that progress is made as quickly as possible. This effort will identify – through examination of field data – the most needed areas of enhancement to existing air bag and restraint technology, will select the most promising new advanced technologies, and will work to get those which offer real safety benefits on the road as soon as they can be

demonstrated to be safe, effective, and reliable.

The "sunset" provision – and the resultant return to the old unbelted barrier crash test procedure – could actually slow the development of the most promising advanced technologies, because this outdated test emphasizes protection of large, unbelted males in extremely rare, violent crash situations. Today, safety belt usage in this country is at almost 70%, compared with only 10 to 12% when this test procedure was developed. The new "sled" test emphasized protection for belted occupants in a crash mode that is much more representative of "typical" crashes – and, as a result, enables manufacturers to provide enhanced protection for a wide range of belted occupants while still providing a level of occupant protection for unbelted persons.

In general, we believe that NHTSA's test procedures should emphasize the protection of belted occupants and minimize the risk of injury to out of position persons associated with air bag inflation. Then, to the extent that it will not compromise these objectives, the highest practicable level of protection to unbelted occupants should be provided. The sled test achieves these objectives and should not be allowed arbitrarily to expire.

#### Data Collection

NHTSA has received several petitions for reconsideration of the sunset provision, which illustrate the difference in opinion on the safety effects of depowering. NHTSA itself changed substantially its estimates of the safety impact of depowering between the

time of the proposal and the time of the final rule. AAMA believes that the importance of this issue requires real-world data for its resolution. Congress, NHTSA, vehicle manufacturers, and others need to know the real-world effectiveness of depowered air bags.

It is anticipated that about 10 million vehicles with depowered air bags will be introduced into the fleet during the 1998 model year. If there are four air bag deployments for every 1,000 vehicle years, there are likely to be approximately 20,000 depowered air bag deployments during FY 98. We believe NHTSA should concentrate its data collection efforts on the investigation of crashes involving vehicles with depowered air bags in which there was a front seat fatality or serious injury. Using this real world data, the agency should compare the effectiveness of depowered air bags with that of full powered bags. AAMA members are already working within the Motor Vehicle Safety Research Advisory Committee to identify field crash data elements needed. We have joined with the Association of International Automobile Manufacturers and the Automotive Occupant Restraints Council to design the matrix of critical information elements necessary to evaluate current and future systems in use and to project benefits expected from advanced technology restraint systems. And we have agreed to help fund such data collection and analysis.

#### Deactivation

With regard to the proposed rule on air bag deactivation, AAMA and its member companies are concerned that the result of an "on demand" disconnection policy would be



an overall lessening of safety. For months now there has been considerable media coverage on the issue of air bag-related injuries, not always balanced by coverage of lives saved by air bags, and we believe that consumers seeking to have their air bags disconnected do not have a fact-based understanding of the benefits of this important safety technology. We agree with the preamble of NHTSA's deactivation rule that concluded that the vast majority of people are better off with air bags than without. But if a rule is announced that is broad in scope, it is quite likely that many consumers will choose to act upon their misperceptions and unwisely deactivate their air bags. AAMA and its member companies believe that deactivation should be limited to individuals with a strong, compelling safety or medical need that can be demonstrated to NHTSA.

Our view is that widespread deactivation would lead to increased highway casualties, would essentially make optional a congressionally-mandated safety requirement, and as a result would not be sound public policy. As noted, NHTSA has itself stated that, from a safety perspective, very few individuals need to have their air bags deactivated; yet, it has proposed to allow everyone to do so. This will inevitably undermine the public's confidence in the safety benefits of air bags. A broad deactivation policy also decreases the integrity of the vehicle safety system, because vehicle safety belts and other systems (such as energy absorbing steering columns) are designed to work with the air bags. Some advanced seat belt designs will not function as intended and will not provide optimum occupant protection if the air bag is removed from the restraint system. Indeed, NHTSA's regulatory structure applies very different requirements to safety belts and steering columns in air bag equipped vehicles than to those elements in

vehicles without air bags.

Also adding to our concern over the NHTSA proposal are the following issues: the overall complexity of vehicle design and interrelationship among components of the occupant protection system; the need for time to design, develop, and produce parts under even a limited deactivation policy; concerns about potential liability being asserted against dealers who deactivate air bags; and the challenge of informing non-owners and subsequent owners who may ride in an affected vehicle that the air bag no longer is operational.

If the final proposal is broader than the scope we recommend – that is, allowing deactivation only for those with a demonstrable medically-based need – then we believe strongly that a thorough consumer education program must precede the effective date of such a rule. This should be an earnest effort to limit the number of people who would deactivate their air bags to the few whose safety would be enhanced by such an action.

#### NCAP

AAMA believes that consumer safety information is very important in that it permits the consumer to make informed choices when shopping for a new vehicle. The intent of the New Car Assessment Program (NCAP) is to provide the consumer with a means to compare one, limited measure of crashworthiness across vehicles. NCAP, however, is based on one test only, with high statistical variability, and its comparability limitations are often overlooked by the media and consumers.

NCAP subverts the rulemaking process that is designed to ensure that affected and interested parties have an opportunity to comment upon proposed requirements before they become law. The frontal impact NCAP was started by NHTSA many years ago without any opportunity for manufacturers' input. It has become a *de facto* regulation which manufacturers must consider as though it were law because of the public announcement of test results. A side impact test has been added to frontal impact in the NCAP arsenal, and again manufacturers had no opportunity to comment or rebut the technical merit of these tests.

Just as manufacturers have participated in the development of other government test procedures, AAMA and its member companies should be given an opportunity to participate in the development of NCAP test procedures. We believe that the experts within our member companies could contribute to making these tests even better in terms of safety benefits and real-world applicability, given an opportunity to participate in their development.

In addition, we believe that a proliferation of NCAP-type tests in Europe, the U.S., and elsewhere have left the consumer confused. To the extent that such programs are being pursued in various major world markets, AAMA believes that consumer information should be harmonized.

### Harmonization

AAMA is encouraged with the effort that NHTSA has undertaken in the area of international harmonization of vehicle safety standards. This effort is vitally important to the U.S. automobile industry as it intensifies its pursuit of global markets. Global competitiveness and international trade are significantly enhanced if vehicles do not have to be designed and constructed differently for each market in which they are sold due to unique safety standards. Vehicle safety standards that are designed to protect the human body should not be different from one country to another. AAMA believes that the development of appropriate internationally harmonized safety standards would lead to improved protection of vehicle occupants worldwide, and would not lead to a diminution of vehicle safety.

NHTSA was instrumental in establishing the International Harmonized Research Agenda a year ago in which representatives of 12 countries reached consensus on a five-year international harmonized safety research activities program in an effort to encourage research which leads to harmonized standards. In addition, NHTSA and EPA have been working jointly to draft an international agreement which would create a process for establishing harmonized global technical regulations for vehicles under the aegis of the UN/ECE Working Party 29 (WP29) in Geneva. WP29 increasingly has become the forum for international vehicle regulation development. NHTSA also has been developing a process for finding functional equivalence between U.S. and non-U.S. regulations which are similar. These NHTSA and EPA efforts are very commendable, but only the beginning of a multi-year effort that will be required to achieve the goal of all

manufacturers – that of producing vehicles which, tested in one country, are accepted by all other countries as well. This ultimate goal of mutual recognition of vehicle safety and environmental certification represents a huge technical, as well as diplomatic, challenge.

Lastly, under the direction of the FY 1997 appropriations legislation, NHTSA is working to harmonize the U.S. and European Union (EU) side impact standards and to develop an offset crash test standard which is harmonized with the EU requirement. In the case of side impact, the U.S. and EU standards are so different that, for many models, different vehicle doors must be designed to assure compliance in each jurisdiction.

Again, in the case of an offset crash test requirement, if the U.S. does not harmonize with Europe, it is quite likely that unique vehicle front end structures will need to be designed and tooled to comply with each standard. AAMA is very supportive of NHTSA's efforts toward achievement of international harmonization of vehicle safety standards and urges the committee to provide its support as well. We also urge the Committee to ensure that other government Departments are fully involved in this effort. The Departments of Transportation, State and Commerce should all have international harmonization of standards as a high priority on their agendas.

#### *Anti-Theft*

AAMA agrees with NHTSA that existing parts marking requirements (Part 541 – Federal Motor Vehicle Theft Prevention Standard) have not been effective in deterring vehicle theft. Our member companies believe that the current electronic anti-theft devices, and in particular engine immobilizers that are voluntarily being used throughout

the industry, have proven to be much more effective in deterring vehicle theft than parts marking. Experience in Europe, where engine immobilizers are in common use, has also shown these electronic devices to be extremely effective. As use of such devices becomes more widespread in this country, it may be appropriate to consider discontinuing the parts marking requirement.

### ***ENFORCEMENT***

Of all the NHTSA responsibilities, by far the most challenging for manufacturers is the administration of the defect investigation program. AAMA members have a number of concerns with the current operation of this program that have evolved over the years. While current legislation gives very broad authority to NHTSA, we believe that many of these concerns could be alleviated through administrative procedural change and a better "top down" sensitivity for the costs versus safety benefits of the defect investigation program.

It is our experience that in recent years, the agency has moved toward practices more akin to litigation than an objective safety assurance process in its defect investigation operation. This approach is inefficient, slow, and excessively adversarial and does not quickly and efficiently address safety concerns. All manufacturers are responsive to repairing vehicles that contain unreasonable risks to motor vehicle safety. But it appears that, as vehicle quality improves resulting in fewer safety defects, NHTSA is moving the target, redefining what is an unreasonable safety risk, and pressuring manufacturers to conduct safety recalls on matters that are not unreasonable by earlier

measures.

Most of our concerns, summarized below, are associated with the informal operations of the program and the many decisions made at staff levels.

1. Unjustified and Unfocused Investigations and Document Demands. NHTSA relies too much on subjective judgment in deciding to open an investigation which has become biased towards initiating investigations with very sparse supporting information. Only a few consumer complaints from the Hot Line can trigger a very broad official NHTSA inquiry that begins an in-depth and usually costly data search and analysis.

Because the agency has not conducted an investigation into the nature of the consumer complaints before opening the investigation, both the questions asked and data provided may be irrelevant to the condition in the field. This practice has at least two negative results for the consumer, the agency, and manufacturers. First, if a significant safety condition does exist, the time necessary to develop and analyze marginally relevant data both by the manufacturer and the agency can lead to delays in resolving the real issue. The second negative consequence is the waste of resources of both the manufacturer and the agency. Resources spent on broad and irrelevant data collection and analysis are lost resources that could be used more efficiently to address real safety concerns. To address these concerns, AAMA members believe NHTSA should probe more completely into unsubstantiated allegations before

opening a defect investigation.

NHTSA should develop and publish specific criteria that are used to determine when a preliminary evaluation should be opened. Moreover, to reduce the burdensome task of obtaining documents and conducting extensive data searches, NHTSA should restrict its questions to the number of vehicles built and the number of reports of the alleged defect.

2. Premature Public Disclosure. In the past, public disclosure of documents relating to an investigation would occur only at the conclusion of a preliminary evaluation stage or an engineering analysis stage (if so required). More recently, it has become the practice of NHTSA to make investigative information available to the press and public during an on-going investigation. This practice can lead to misperceptions which can distort the investigative process.
3. Undue Weight Given to Advocates and PR. The agency is often unduly influenced by pressure from consumer advocate groups who lack technical expertise and who are free to make claims of unsafe vehicle performance with little or no proof. Exaggerated claims of unsafe conditions attract media attention which makes it difficult for NHTSA to remain objective in its deliberations. This process is the natural result of an agency (1) given broad enforcement responsibilities, (2) with wide latitude to make decisions that have potential serious affects on product reputations, and (3) with an inherent need to justify their program through ever-increasing recall



statistics year-over-year. We urge NHTSA to consider facts relevant to any defect investigation, regardless of the source. However, unsubstantiated claims and allegations cannot be the basis for reasoned decisions regarding motor vehicle safety.

4. Number Driven Enforcement. There is a tendency for NHTSA to measure success (at least informally) by the statistics of the program, i.e., the number of investigations opened, the number of recall actions that result from NHTSA "influence," and the total number of vehicles recalled each year. Such statistics are not accurate measures of the impact of this program on motor vehicle safety. In addition, individual safety recalls are not evaluated with regard to real safety benefits. An effective measurement system would improve decisions from the standpoint of resource utilization and minimize investigations which have low merit, as well as follow the agency's statutory mandate.

As stated above, consumer advocate groups exert continuous pressure on NHTSA to recall more cars every year. Yet there is no logical reason to expect that the number of recalls and recalled vehicles in any year should be greater than the previous year's numbers. To the contrary, well recognized national measurements of automotive product quality are showing tremendous improvements each year. This should be reflected in a reduction in the number of recalls and the number of vehicles recalled.

Enforcement activities by their nature will always be adversarial. Nonetheless, AAMA and its member companies believe this Committee could play an important role

in having NHTSA reassess the many procedures and decision making processes of the defect investigation program. The goal is to quickly identify and effectively address real safety-related defects. To meet this goal, the defect investigation process must be based on facts, objective technical analysis, and a reasonable standard for safety.

AAMA thanks the Subcommittee for the opportunity to testify on this important subject.

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Pursuant to Rule XI, clause 2(g)(4) of the Rules of the House and Rule 4(b)(2) of the Committee rules, we must disclose AAMA's federal government contracts and grants relevant to the subject matter of testimony being offered by the AAMA witness. AAMA did not receive any grants or contracts during the period specified.